

**REMARKS**

Claims 10, 11 and 16-26 are pending in this application. By this Amendment, claims 20 and 23 are amended to better distinguish over the applied references. Reconsideration in view of the above amendments and the following remarks is respectfully requested.

It is gratefully appreciated that the Office Action indicates that claims 10, 11 and 16-19 are allowed.

Claims 20-25 stand rejected under 35 U.S.C. §103(a) as being unpatentable over Kobayashi (U.S. Patent No. 5,767,827) in view of Matsunaga (U.S. Patent No. 5,510,918) and Kahn (U.S. Patent No. 5,056,895); and claim 26 stands rejected under 35 U.S.C. §103(a) over Kobayashi in view of Matsunaga. The rejections are respectfully traversed.

In particular, neither Kobayashi nor Matsunaga, either alone or in combination, disclose or suggest a substrate for a liquid crystal panel, including at least a first passivation film formed on a periphery region, including a silicon oxide film and a silicon nitride film formed on the silicon oxide film, the periphery region having a step and a sidewall at the step, and the first passivation film covering the sidewall, as recited in independent claim 20, and similarly recited in independent claim 23.

Furthermore, neither Kobayashi nor Matsunaga, either alone or in combination, disclose or suggest a substrate for a liquid crystal panel including at least a passivation film formed by the silicon oxide film and an insulating interlayer formed by the silicon nitride film form a laminate structure at the space between the adjacent reflecting electrodes, as recited in independent claim 26.

The Office Action admits that the applied references fail to disclose a laminate structure having a sidewall at a step, and a passivation film covering the sidewall of the laminate structure. See Office Action, page 7, paragraph 5. Thus, claims 20 and 23 should be allowed.

Kobayashi fails to disclose a laminate structure of silicon nitride film and silicon oxide film. Kobayashi instead discloses a laminate structure of a plurality of silicon oxide films 11 and 7b.

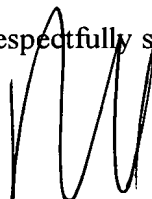
Matsunaga discloses that a gate terminal GTM is formed of an aluminum film and a transparent conductive film which is deposited on the aluminum film.

Thus, any combination of the references would not have resulted in a device whereby reliability of the liquid crystal panel is improved along with image quality using the reflecting liquid crystal panel in a projection display device. Because it would not have been obvious to combine the applied references to arrive at the claimed invention, it is respectfully requested that the rejections under 35 U.S.C. §103(b) be withdrawn.

In view of the foregoing, it is respectfully submitted that this application is in condition for allowance. Favorable reconsideration and prompt allowance of claims 20-26 are earnestly solicited.

Should the Examiner believe that anything further would be desirable in order to place this application in even better condition for allowance, the Examiner is invited to contact Applicant's attorney at the telephone number set forth below.

Respectfully submitted,



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